Office Note Part

Part I notes of the file.

Previous references.
Mil 491-07 1-4
Mil 352-09 3-5
Mil 109-08 1-2 (Municipal)
Later references
Soa 413-12 Sn 1-3 B Mar 13
1595-07 1-3

1911 12-13

Final File No 88-10

Serial Nos. 3-10, 12
14-17 19-23
27/28

GENERAL AND REVENUE SECRETARIAT

Serial Nos. 3-10 12. 14-17 19-23. 27/28

Part B for November 1912

SUBJECT.

Audit of the accounts of the Improvement Trust Board.

-3 From the Comptroller no 510 of 6/8/10. Submits the special auditor's report of the result of the audit of the Trust Board Accounts from the commencement up to the end of June 1908 together with the Assistant Comptroller Mr. Lakshmanaraya Iyer's memo thereon and his own remarks on the matter.

G R. S 58

Parts 1 & 3

letter no 1506 dt 19/11/10 from the Com Tr.
Submit modified statement no 24

Sl 5 Received no. 4814 dt 3/12/10 to the Superintendent
Forwarded original for careful return when
done with the Auditor's report and calls for
25 printed copies thereof within a week of this

Sl 6. From the Comptroller & Ward Dy Branch no
dt 21/1/11
Reports that some important records have been
leaked and kept in the Mysore District Treasury
awaiting the orders of Govt as to whether the men
concerned have to be prosecuted and that the
Chairman of the Board requests the return of
some of the Records as they are wanted by
him for urgent reference and requests therefore the orders of Govt on the Audit report
at an early date

To Mr Yates Do dt 26/1/11. Enquires when the
printed copies of the report maybe expected
in this office

From Mr Yates. Do dt 26/1/11 Send 35 copies
of the report with invoice no 8 dt 26/1/11

Sl 7 To the Chairman, Mysore City Improvement
Trust Board no 65/12 dt 3/2/11. Forwards a statement
showing the names of the officials of the Board
of Trustees who are responsible to make good
a sum of Rs 1251-8-3 in the aggregate and
requests the Chairman to take immediate
action for the recovery of the amount from
them & to report what further notice should
be taken of the conduct and to take the
explanation of Mr. D. Crosy for the loss of

Rs 3636-0-6 said to have accrued owing to over-measurements and loss of materials in the construction of sanitary works

8 To the Chief Engineer of Mysore no 6513 8 3/2/11 forwards the report of the auditor on the audit of accounts of the Board of Trustees from Jan 04 to June 08, states that the report discloses that the Board has sustained a loss to the extent of Rs 64066-2-11 and that Mr. Sitaramaiah, has to account for this and requests the Chief Engineer to obtain and forward to Govt. a detailed explanation from Mr. Sitaramaiah for the several matters brought to light in the report and especially about the moneys to be accounted for

To Mr Visveswaraya Esq. Do. no 6909 8 18/2/11 With reference to Sl 8 requests him to submit Mr D. Sitarama Rao's explanation within a week from this date

To Mr Kantharaj Urs Esq. Do 6913 8 18/2/11 with reference to Sl 7 requests him to submit the explanation of Mr D. Cruz of his report within a week from this date

From Do. Do 8 19/2/11 Wants a fortnight's time from 19/2/11 to submit his report etc

From Y. Srinivasa Rao Esq Do no 713 8 20/2/11 States that Mr D. Sitarama Rao has been requested to submit his explanation within a week from 18/2/11

Letter 8 22/2/11 from Mr Y. Srinivasa Rao, Dy Chief Engineer Tungabhadra original Mr. S. Sitarama Rao's letter expressing his inability to submit his explanation in a week's time and stating that not less than one month will be required to study and digest the auditor's report and its appendices

L9 Letter no 1522 dated the 23rd Feb 1911 from the Chief Engineer
states that to enable him to submit the explanation called for Mr. S. Sitarama Rao requires the services of the Accountant Mr Ramaswamiah together with all the accounts and correspondence of the Chairman's office pertaining to the transaction regarding which objections have been raised that as it would be inconvenient to bring the Records to Bangalore he has granted Mr. Sitarama Rao permission to go to Mysore and obtain all the required information from the Chairman's office and adds that it would probably facilitate matters if Mr. Ayer asked the Chairman to render him every assistance

SL10 Letter no 7176 8 1/3/11 to the Chairman
Requests him to afford Mr. S. Sitarama Rao every assistance including access to the Records with a view to enable him to submit his explanation about the irregularities noticed

the Auditor's note

memo no 31778 1/3/11 to the Chief Engineer
Forwards copy of S.10 to him for information.

letter no 1886-78 7/3/11 from the Chief Engineer
Forwards copy of his letter no 1886 of the same date to Mr. Sitarama Rao informing him that he should go to the Mysore, Communicate with the Chairman and obtain all the information he wants and enquiring when his explanation may be expected

letter no 8578 14/4/11 from the Chairman.
Forwards in original the explanation offered by Mr. G. E. A. D'cruz, Executive Engineer, as regards the points noted in the auditor's report relating to the construction of sanitary works up to end of 1908.

letter 8 1st May 1911 from Mr. D. Sitarama Rao. Submits for information a copy of his letter of the same date addressed to the Chief Engineer requesting that his preliminary report of 2nd March last which formed the key note of the reply he had to furnish on the Auditor's vague deductions may be forwarded to Govt

b. letter no 3788 8 3/5/11 from the Chief Engineer
Forwards copies of Mr Sitarama Rao's report of March last and letter 8 1st May 1911 and adds that the so called preliminary report was not submitted to Govt as it was

more in the nature of a requisition for information and records than an explanation and that office has no objection to an - Sitarama Rao corresponding direct with Government

17 letter no 14 & 5/5/11 from Mr. Sitarama Rao submits a copy of his letter addressed to the Chief Engineer offering his detailed explanation concerning several transactions referred to in the Auditor's report

S(19 letter no 4061 & 10/5/11 from the Chief Engineer. Forwards for disposal a copy of Mr Sitarama Rao's letter no W-1 dated the 5th idem together with his explanatory memo (in original) concerning the audit report and adds that the original records sent to him will be forwarded to Govt. Soon after receipt

20 Letter no 9332 & 13/5/11 to the Comptroller. Forwards to him for remarks the explanation offered by Mr. D. Cruz on the points noticed in the audit of the Trust Board accounts relating to the construction of Sanitary works.

S(21 Letter no 455 & 12/5/11 from the Chief Engineer forwards the records received from Mr. Sitarama Rao

S(22 letter no 4274 & 16/5/11 from the Chief engineer forwards an original Mr. Sitarama Rao's letter submitting for the information of Govt Copies of letters from Doctor Charles, G. Martin and Mr D.E. Waters relative to the nature of work carried out by him in the

... city while he was the chairman of the
Trust Board

Letter no 9715 & 25/5/11 to the Comptroller

Forwards in continuation of SL 20 for personal
and remarks on Sitarama Rao's memo
containing his explanation for the alleged
irregularities noticed by the special auditor
in the audit of the accounts, up to end of
1907-08

Docket no 578 & 20/7/11 to the Chairman
Mysore City Improvement Trust Board

Invites his attention to para 1 of letter
about the recovery of certain sums of
money from the officials of the Trust Board
and the further notice that should be taken
of their conduct and requests that this report
the matter may be expedited

Letter no 687/Lot 59 & 1/7/11 from the
Comptroller. Submits in reply to SL 20 & 23
two memoranda drawn up by Mr. J Lakshmi
Narasimha Rao on the explanation furnished
by Messrs J. E. A. D'Cruz and D Sitarama Rao
in regard to the irregularities brought to notice
in the auditor's report and states that he
generally agrees with the remarks made therein
and that the memoranda show that the items
noticed were mostly such as in his opinion
entailed loss on the Board and that in doing so
he did his duty and does not therefore
merit the remarks of Messrs D'Cruz and

Sitarama Rau. Further he brings specially to the notice of Govt the desirability of expressly prohibiting the officers whose accounts are audited from making any remarks about the audit and of directing them to strictly confine themselves to their explanations.

[illegible]
25/1/13

[illegible] to Records
[illegible]

G.R.S 11] 1910 - 1911

GENERAL AND REVENUE SECRETARIAT

(Mc.)

NOTES.

File No. 88-10

FILE HEADING

Audit of the accounts of the Mysore City Improvement Trust Board.

From

The Comptroller

No 510 Dated 6 8. 10 Received 17 8 1910

Diary No. 1197 | Enclos 1 & 1 file Spare Copies — | Serial No 3

BRIEF ABSTRACT OF LETTER.

Submits the Special Auditor's report of the results of the audit of the Trust Board accounts from the commencement up to end of June 1908 together with the Assistt. Comptroller Mr. Lakshminarasimha Rao's memo thereon and his own remarks on the matter.

NOTES AND ORDERS

The present report relates to the accounts of the Trust Board up to end of the year 1907-1908. A separate report on the accounts of 1908-1909 is attached to the under preparation.

2)

NOTES—First sheet

GPB—15,000—24-4-09

Serial No

2 The audit of the Final accounts from the commencement up to end of 1907-1908 has disclosed besides several technical irregularities, a loss to the Board to the extent of Rs 64,066-2-11 and this has been attributed by the Comptroller to "non-performance of duty on the part "of the account staff combined with want "of proper scrutiny on the part of the "heads of offices" Statement No 27 accompanying the Auditor's report furnishes details for the said amount. The major items of loss have been classified as follows:-

	Rs
(a) Loss on sales of materials =	35,000--
(b) do due to omissions in the Final Stores List =	20,869-1-6
(c) do due to excess payments for lands =	1133-7-10
(d) do due to over-measurements in demolition =	1014-0-10
(e) do due to overpayments loss of materials &c in the Construction of Sanitary works =	3636-0-6

From this description and from the duties assigned to the Accountant of the Chairman's office it is seen that the Chairman

GPB—33,000—27-4-09

Serial No.

Chairman will have to account for the major items (a) to (b), and the Executive Engineer for (c). Mr. D. Sita Rama Rao was the Chairman till the 6th March 1908 ie throughout almost the whole of the audited period

3 The aforesaid sum of rupees 64,066-2-11 includes, besides, certain items aggregating Rs 1251-8-3, which directly incriminate several officials under the Lynch Board. Their names and the amounts for which they are responsible have been given at page 7 of the Assistant Comptroller's memorandum.

4 Regard being had to the extent of the loss to Govt and to the incriminating character of some of the transactions connected therewith, orders are solicited as to whether

(1) the Chairman may be requested to take steps at once from and recover the amounts from the officials noted in the Assistt. Comptroller's memo (page 7) pending further orders

(2) the Auditors report and its enclosures ~~together with the Assistant Comptroller's memo~~ may be [illegible]

Over

Serial No

Mr. S Sitarama Rao for explanation on the several irregularities therein noticed and especially about the money to be accounted for, and

(3) the same may be similarly sent to the Chairman for obtaining the Ex. Engineer's explanation about item (c), and for the Board's opinion on the whole question

Submitted for orders

MS 4 Please put up draft
26/8/40 5.9.40 Mll

5 Two drafts submitted. After Mr. Sitarama Rao's explanation is received the report together with the explanation may be forwarded to the Chairman for the Ex. Engineer's explanation about item (c) and for the Board's opinion on the whole matter

MS 5
5/9/40

6 A single draft order as per Secy. Secy's verbal instructions is submitted.

MS 7 Final orders may
8/9/40 issue after the resolution of the Trust Board is received

Secy) 8 9 40 Mll

G.P.B.—Sec(ret)—27-4-40

Serial No

The report discloses more or less grave irregularities in the methods adopted by the officials of the Trust Board in regard to the properties dealt with by them. The chief omission seems to have been that relating to the sale of materials obtained from demolished houses. The recovery of other sums due to the Board was also very indifferently attended to. Even allowing for the natural bias of suspicion with which an auditor is inclined to view the object of his examination it cannot be denied that the affairs of the Trust Board need detailed supervision in respect of the work of the office of the subordinate agency.

(Sd) C Dewan

CSB
28/9/10

DEW
28-9

949
30 9 10

The first thing to be done is to refer this papers to the Chief Engineer with a view to his obtaining the detailed explanations of Mr Sitaramiah and Mr D'Cruz on the various points brought to light in the

Serial No

audit. The Board of Trustees could not be held responsible for any of the irregularities and it is a question whether it is necessary to obtain their opinion at all. All the faults pointed out are the faults of the Executive of the Board. If considered necessary at a later stage when the explanations of Mr Sitaramiah & Mr D Cruz have been received the Board's opinion may be taken. To refer the papers now to the Chairman for the consideration of the Board would be to defer a decision to an indefinite time.

The officers concerned might after all be able to render satisfactory explanations regarding some of the items pending the receipt of the explanations of Mr Sitaramiah & Mr D Cruz, the Chairman may be asked to take immediate action for

Rt of 30/9/40

Serial No.

the recovery of the amounts aggregating Rs 1251 8 3 which directly incriminate some of the officials, referred to in para 12 of the Asstt Comptroller's memorandum and to report what further notice should be taken of the conduct of the officials in question

BSS
30/9/10

8211
2 10. 10

Lapse — [illegible] 30 9

(If it will be advantage to print the papers (sans Enclosures) the Comptroller may order the same) [illegible]

12 Put up draft —
[illegible]
1/11/10
1 11 10

13. Draft submitted —
[illegible] Secy) 7 11 10
3/11/10
An order is not necessary at this stage — Put up a letter to

Note—Contin. sheet.

Serial No

Chief Engr requesting the points which Mr Sitaramachar & Mr D'Cruz should explain in a letter to the chairman about the recovery of certain sums of money.

CBB 9/11/10

15 Draft letters submitted.
Pol of Secy) 14 11-10 Secy 9 11-10
11/11

16 The drafts may be approved. The report ~~with~~ may be printed.
Emby.
1882)

CBB 30/11/10

Secy 1 12 10

1487
2-12-10

17 Approved. The Report may be printed.
Please keep a sheet of the enclosures
KBR
1/12/10

18 Secy. Hon Secy will please get the report printed soon.

CBB

4 Letter No 1501 Dt 19.11.10 from the Chief Engr submitting modified statement No 24

19 Draft to Pol: Govt Press, asking him to send 35 spare copies of the report

Serial No

~~[illegible]~~ is submitted. Orders are solicited as to whether the two drafts in the file which have been approved by the Councillors may be issued after the receipt of the printed copies of the Auditor's report.

Ill 3/12 (58) 20 Please issue the drafts to the Supt, Govt Press. The drafts to the Chairman and to the Chief Engineer may issue after the printed copies of the report are received

3 12-10 Issue

5 Docket No 4584 Dt 3.12 1910 to the Supt Govt Press

Forwards in original for careful return when done with the Auditor's report and calls for 35 printed copies thereof within a week from this date

21 Printed copies of the report have not been received yet. Draft D.O. to the Govt is therefore submitted

Ill 14/12 22 Issue

15.12.10 Issue

23 The proof was received on the 17 12 1910 It is being compared Hence

Note—Contn. sheet

F. R. S. 12]
General and Revenue Secretariat.

M C File No. 88 of 1910—11

Serial No.

is submitted.

Sing 26 Issue
130
24 1 11 24 1 11 Mle

To Mr Yates. Do No 6321 & 26 1 11
Enquires when the printed copies of the report may be expected in this Office.

From Mr Yates. Do 8 26/1/1911
Sends 35 copies of the report with Invoice No 8047 & 26 1.1911
27 A printed copy of the report is placed in the file. May the 2 drafts below (referred to in para 20 supra) issue now?

AMK 80 Sing 28 Issue
28 1 1911 28 1. 11. Mle

7 To the Chairman, Bd of Trustees for the Improt of the City of Madras. No 65 128 & 3 2. 1911
Forwards a statt showing the names of the officials of the Board of Trustees by ~~whom respectively the~~ who are responsible to make good a Amt of Rs 1251-8-3 in the aggregate, & requests the Chairman to take immediate action for the recovery of the amounts from them, & to post what further.

Contn.—Contin. sheet

G. R. S. 12]
General and Revenue Secretariat

File No. 88 of 1910-11

Serial No.

further notice should be taken of their conduct & to take the explanation of Mr D'Cruz for the loss of Rs 3636-0-6 said to have accrued owing to over measurements and loss of materials in the construction of sanitary works

8 To the Chief Engineer of Mysore.
No 6513 dt 3. 2. 1911.

Forwards the Report of the Auditor on the audit of the accounts of the Bd of Trustees, Lancely from June 1907 to June 1908, states that the report discloses that the Bd has sustained a loss to the extent of Rs 61,066-2-10 & that Mr Sitaramaiah has to account for this & requests the Chief Engineer to obtain and forward to Govt a detailed explanation from Mr Sitaramaiah for the several matters brought to light in the report and especially about the moneys to be accounted for.

29. In S/6 the Comptroller requests early orders on the Audit Report. Draft of a letter informing him how the matter stands & requesting

Note—Contn sheet

G. R. S 12]
General and Revenue Secretariat.

File No. 88 of 1910

Serial No.

Stating that the records kept in the Treasury may be handed over to the Chairman with instructions to keep them in his personal custody is submitted for approval or other orders.

30 Secy) 4.2.11

4.2.1911.

31 1st C. Dewan

32. may be approved

10144
14.2.11

33 Let us wait a little - & meantime ask for the expln called for (from Mr Ananda Rao & Mr D Rao) very expedited - It should not take a departure this for them to come

34 Please write Dr to be the Chairman & Dy Commr?

35 Put up draft -

36 Draft of two DO's one

GPB—80,000—12-6-10

Serial No.

are submitted

MM 80 orig 37. Issue

18.2.1911 18 2 11 Issue

35 To Mr Viswesvaraya Esq Mr. I.C.S. D. No 6894 & 18.2.1911

With reference to cl 8 requests him to submit Mr D Sitaramaraos explanation within a week from this date

39 To Mr Kantaraj Urs Esq B.A. D.O. 6913 & 18 2 1911. With reference to cl 7 Requests him to submit the explanation of Mr D'cruz & his report within a week from this date

60 To Mr Kantaraj Urs Esq D.O. & 19 2 1911

Wants a fortnight's time from 19 2 1911 to submit his report - etc

41 To Y Sreenivasa Rao Esq B.A. D.O. No 71 & 20 2 1911

States that Mr D Sitaramaraos has been requested to submit his explanation within a week from 18 2 1911

42 The D.Os received from the Chairman and the Ag Ch Engr are

Note—Contin sheet.

are asked for information
MM 80 ang 18 Cr 22 2 11 Jeme
21 2. 1911

63 D.O letter dated the 22nd Feb. 1911 from Mr. Y Sreenivasa Rao, Dy. Chief Engineer

Forwards in original Mr. D Sitaram Rao's letter expressing his inability to submit his explanation in a week's time and stating that, not less than one month will be required to study and digest the Auditor's report and its Appendices..

64 Letter No. 1522 dated the 23rd Feb. 1911 from the Chief Engineer

States that to enable him to submit the explanation called for Mr. D Sitarama Rao requires the services of the Accountant Mr Ramaswamiah together with all the accounts and correspondence of the Chairman's office pertaining to the transactions regarding which objections have been raised, that as it would be inconvenient to bring the records to Bangalore he has granted Mr Sitaram Rao permission to go to Mysore and obtain all the

Serial No.

required information from the Chairman's office, and adds that it would probably facilitate matters if the Govt. asked the Chairman to render him every assistance

46 Draft a letter to the Chairman asking him to afford all assistance to Mr. Sitaramaraja as submitted for approval or other orders

Ml (501) sig 18 (2) 25 2 11 Mll 25/2/11

2213 / 28.2.11

46 Approved sig 25/2/11

47 Issue

cfg 28/2/11 Mll 28.2.11

48 GO Letter No. 7176 Dt 1 3 11 to the Chairman

Requests him to afford Mr. D Sitaramaraja every assistance including access to the records with a view to enable him to submit his explanation about the irregularities noticed in the Auditor's report.

Memo No. 7177 Dt 1 3 11 to the

Note—Contin sheet.

513

17

G. R. S. 12]
General and Revenue Secretariat.

File No. 88 of 1910

Serial No.

Chief Engineer
Forwards copy of ab to him for information.
Submitted for information
Dewan 2 3 11

10402
3 3 11

50 Explains are required Early

By IV

51 Keep in this issue remainder if no reply received by the end of the month

52 Letter No. 1886 dated the 7 March 1911 from the Chief Engr. Forwards copy of his letter No. 1886 of the same date to Mr. Sitaram Rao informing him that he should go to Mysore. Communicate with the Chairman and obtain all the information he wants & Engineer when his explanation may be expected

53 Submitted for personal
Dewan and 1st Cr 20 3 11

54 Seen

2440
Nov 26 Gen 3 abc

55 GPD—500—29-6-10

10710
24 3 11

23/3/11

24 3 11

F. R. S. 12]
General and Revenue Secretariat.

File No. 88 of 1910

Serial No.

14 56 Letter No. 85 dated 14th April 1911 from the Chairman

Forwards in original the explanation offered by Mr. J. E. A. D'Cruz, Ex Engineer, as regards the points noted in the Auditors' report relating to the Construction of sanitary works up to end of 1908

57 A copy of Mr. D'Cruz's explanation may, if approved, be forwarded to the Comptroller for remarks. Mr. Sitaram Rao's explanation has not yet been received. An urgent reminder may be sent to the Chief Engineer in the matter. Drafts are submitted for approval on other orders.

(S.) [illegible]
23/4/11

15 58 Letter dated 1st May 1911 from Mr. S. Sitaramarao.

Submits for information a copy of his letter of the same date addressed to the Chief Engineer requesting that his preliminary report of 2nd March last which formed the key-note of the reply he had to furnish on the Auditor's value corrections may be forwarded to Govt.

16 59 Letter No. 3788 dated 30 May 1911

NOTE—Contd. sheet

Serial No.

from the Chief Engineer

Forwards copies of Mr. Sitarama Rao's report of March last and letter dated 10th May 1911, and adds that the so called preliminary report was not submitted to Govt. as it was more of the nature of a requisition for information and records than of an explanation and that his office has no objection to Mr. Sitarama Rao corresponding direct with Government.

So submitted for orders. The key-note of Mr. Sitarama Rao's explanation on the points raised in the Auditor's report is to call for certain information which can be collected only from the Mutchalkas and such other original records in the Chairman's office; and the work involves much time and labour. The following remarks are respectfully submitted with reference to Mr. Sitarama Rao's explanation offered on the several items of losses.—

(a) Loss on sales of materials.— A classification of the total amount of Rs 7,07,650/- paid as compensation up to end of June 1908 is by no means without an easy task. No less than 5331 properties

GPB—50,000—12-8-10

Serial No

properties were acquired up to the end of June 1908, and in order to have the said classification, the Mutchalekars pertaining to all those properties with have to be gone through and figures taken. Beside it cannot be stated that the Auditors estimate of loss under this head (Rs 35,000) is exaggerated inasmuch as he has left a broad margin (quite one-half of the correct figure) to cover extraordinary cases. Nor can it be considered vague as all his observations in the report were made after the receipt of replies from the Chairman to his Diaries forwarded to that officer from time to time.

(b) Loss due to omission in Inst Name Kith. This seems to be an unfortunate suggestion. If the accounts had been kept in a systematic manner, there would have been no room for doubt under this head. The explanations offered in the Chairman's office seem very funny (vide para 30 of the Audit report) ~~[illegible]~~

(C) Loss due to excess payment. — There is a direct answer to this. Mr Sitaramarao's remarks under this head in para 82 of the Audit report. ~~[illegible]~~

GPB—30,000—12-8-10

Serial No.

seems physically impossible that the total area of any particular property can vary so long as its boundary remains the same. It is this fraud that the Auditor refers in his report, which has not been explained away in some detail by Mr. Sitarama Rao.

(d) Overmeasurements on demolitions. So far as the Account books are concerned, there is no doubt that there has been a loss under this head. The fraud is simply this. The books do not show that a particular house was demolished. The Chairman's office says that it was. Thereupon, the Auditor asks, then why wasn't the fact mentioned in the Accounts? The ready explanation offered is that in one case it was a mere oversight and in another case that the necessary entry was no doubt made in the Accounts but only against a wrong number. In such cases, the question arises how far the accounts are reliable. Even supposing that the explanation offered is correct, if the accounts are faulty the persons responsible take the consequential risk.

GPB—80,000—12-8-10

G R S. 12]
General and Revenue Secretariat.

File No. 88 of 1910

Serial No.

Areas that the several areas have been entirely cleared, any amount of inspection will be of no avail unless it is possible to identify the properties acquired and demolished.

61 For the Chief Engineer's reply to Mr Sitharama Rao's preliminary report of March 1911 attention is respectfully invited to serial 12

M

Put up 5/5/14 62 The report submitted by Mr Sitharama Rao is said to be preliminary. He may be asked to submit the final report promised in the last but one para of his letter to the Chief Engineer dated 1st May 1911. As he has been retired from service, it seems unnecessary any longer to address the Chief Engineer in the matter. Mr Sitharama Rao may be communicated with direct (vide the last para of the Chief Engineer's letter of the 3rd inst). A copy of Mr Sitharama Rao's preliminary report may be sent to the Comptroller

Yes

Note—Contn. sheet

G. R. S. 12]
General and Revenue Secretariat.

Hb File No. 8 8 of 1910 701/713

Serial No.

for information & remarks if any

63 ..... As regards the explanation offered by Mr D'Cruz, draft forwarding it to the Comptroller & for remarks submitted for approval or other orders

(sd P.R.) 8.5.11 Hlle

64 Approved

(sd) H
11/5/11

65 (1) Issue the draft to the Comptr.
(2) Put up drafts

11 5. 11. Hlle

17 66 Letter No A dated 5th May 911 from Mr Sitarama Rao

Submits a copy of his letter addressed to the Chief Engineer offering his detailed explanation concerning several transactions referred to in the Auditor's report.

19 67 Letter No 4081 dated 10th May 11 from the Chief Engineer

Forwarded for disposal a copy of Mr Sitarama Rao's letter No A dated 5th idem together with his

Note—Contin sheet

Serial No.

explanatory memo (in original) concerning the audit report and also that the original records sent to him will be forwarded to Govt. soon after receipt.

20 65 Letter No. 9332 dated 18th May 1911 to the Comptroller

Forwards to him for remarks the explanation offered by Mr. D'Cruz on the frontier notices in the audit of the Local Board Accounts relating to the construction of sanitary works

21 69 Letter No. 455 dated 12th May '11 from the Chief Engineer.

Forwards the records received from Sheshtaramma Rao

20. File resubmitted with reference to serials 17, 19 and 21. The explanations offered by Mr. D'Cruz has been forwarded to the Comptroller for remarks. Mr. Sitarama Rao's explanation may if is submitted, be similarly sent to the Audit Office. Draft letter submitted for approval or other orders.

MA 50 Ch. 18 Cr 17-5-11 [illegible]
15/5/911

Serial No.

21 Draft approved. Copy of Comptroller's letter No. 510 of 6th August 1910 & the asstt Comptroller's memorandum should also have been sent to Mr Sitaramaiah who would then have been in a better position to reply.

22

22 5-11

22 78 Letter No 4274 dated 16th May from the Chief Engineer

Forwards in original Mr Sitaramaiah's letter submitting for the information of Govt. Copies of letters from Doctor Charles J. Martin and Mr D.E. Watchman about the nature of the work carried out by him in the Mysore City while he was the Chairman of the Improvement Trust Board.

23 74 Letter No 9715 dated 25th May 1911 to the Comptroller

Forwards, in continuation of serial 20, for perusal and remarks

G. R. S. 12]
General and Revenue Secretariat.

26 File No. 88 of 1914

Serial No.

Mr Sitaramma Rao's Memo containing his explanation for the alleged irregularities noticed by the Special Auditor on the audit of the Accounts up to end of 1907-1908.

Branch IV

One Three Rs Sanction

ref. engrossed

I believe 2 copies of Mr Sitaramma Rao's explanation have been received. If so, one goes to the Comptroller for opinion - the other copy may be submitted to the Dewan for information

23/5/14

A S 12
23/5

26 Mr Sitaramma Rao's Memo containing

GPB—20,000—12-8-10

Serial No.

Containing the marginal note by the Irish Councillor has been retained in the file as per Assistt. Secy's verbal instructions and the file remade with reference to serial 22 and the Irish Councillor's orders of the 22nd Instt.

26/5/94

77 Submitted

Dewan 26 5 11

28 Agreed — I suppose that when the compilation commences received the points as pointed out by the Commissioner Intt the Mr Councillor's final opinion taken in last case

26 6 11

79 Attention is respectfully invited to this office letter to the Chairman (No 7) calling for a report of the recovery of certain amounts from the Irish Board officials and of the further notice he would propose to take of the conduct of the officials concerned. The Chairman's report has not been received yet. Draft docket requesting him to expedite the same is submitted

30 Issue

17/7/94

18 7 11

Note—Contn. sheet

Serial No.

27 81 Draft no. 578 dt. 20th July 1911 to the Chairman, Mysore City Sanitary Board.

Invites his attention to para 1 of serial, about the recovery of certain sums of money from the officials of the Board and the further notice that should be taken of their conduct, and requests that his report in the matter may be expedited.

28 82 Letter no. 587/~~1059~~ dated 1st July 11 from the Comptroller

Submits, in reply to pls. 20 & 23, two memoranda drawn up by Mr. Y. Lakshmi narasimha Rao on the explanation furnished by Messrs. J. E. A. D'Cruz and P. Sitarama Rao in regard to the irregularities brought to notice in the Auditor's report and states that he generally agrees with the remarks made therein and that the memoranda show that the items noticed were mostly such as, in his opinion, entailed loss on the Board and that in doing so he did his duty and does not therefore match the remarks of Messrs. D'Cruz &

NOTE—Contin sheet.

Serial No.

Sitarama Rao. Further he brings specially to the notice of the Govt. the desirability of expressly prohibiting the officers whose accounts are audited from making any remarks about the audit and of directing them to strictly confine themselves to their explanations.

83 File submitted together with a synopsis of the Auditor's report and two statements (B & C) showing in juxta-position the several irregularities under the two heads "Acquisition" and "Construction" which in the opinion of the Auditor ought to be brought to the Trust Board, the explanation of the officers concerned and the final remarks of Mr. Lakshmi narasimha Rao, Assistt. Secy., who [illegible] the audit. Minor irregularities have all been shown in Appendix C to the Auditor's report. No explanation has been offered in these cases by Mr. Sitarama Rao.

84 Attention is respectfully invited to page 21 of the Assistt. Secy. Mr. Lakshmi narasimha Rao's memo

(contd.)

GPB—29,000—12-8-10

G R S. 12]
General and Revenue Secretariat.

hl File No. 88 of 1910

Serial No

on the explanation of Mr. D'Cruz, from which it will be seen that after giving full weight to the Ex-Engineer's explanation a sum of Rs 344-13-9 will still be left under "Construction" for which in the Hon. Minister's opinion Mr. D'Cruz is alone responsible. Mr. D'Cruz has laid stress on the fact that he was not given the services of a competent Accountant and refers to his letter of January 1905 to the Chairman deploring the anomaly of a Division without an Account Branch according to the Auditor's report (para 8) N. Venkatrao, a Pr Accountant lent to the Board remained in the Chairman's Office from 1st June 1904 to April 1905 when he was sent to the Ex-Engineer's Office. This fact is also borne out by the Chairman's report to Govt. dated 17th August 1907. Mr. D'Cruz further adds that if the Fresh Board Account had been audited at frequent intervals as required by section 33 of the City Improvement Regn. there would have been no room for these irregularities

S
4-11-10-6

N

Note.—Contin sheet

Serial No.

That section does not perhaps contemplate a local audit such as the one recently introduced.

85 From Mr. Lakshminarasimha Rao's memo (page 7) received with the Comptroller's letter serial 3. it was evident that out of the sum of Rs 64,066-2-11 (the total loss to the Board according to the Auditor's report) a sum of Rs 1251-2-3 had to be accounted for by certain officials of the Board. The Chairman has been requested to submit a report after recovering the sums from those officials (vide serials 7 & 27).

86 In para 20 of his memo of explanation, Mr. Sitarama Rao says that "no system of accounts "and test audit have been prescribed "though such a system and audit "were called for when an expenditure "of Rs 30 lakhs was intended." It may however be stated that the Chairman and the Engineer were officers of the State P.W. Deptt. and had an establishment with an Accountant lent from the P.W. Deptt. apparently with

Note—Contin sheet.

Serial No

with a view to the accounts being kept after the Public Works system as observed by the auditors (vide para 8 of the report)

37. Both Mr. Sitarama Rao and Mr. Dicing have felt it a humiliation to reply to an auditor's objections, and have taken exception to certain remarks made and inferences drawn in the Auditor's report. But, Mr. Lakshmi-Narasimha Rao, Asst. Secy. who controlled the audit, and the Comptroller justify the auditor's position and strongly urge the desirability of the Govt. expressly prohibiting the officers whose accounts are audited from making any remarks about the audit and directing them to strictly confine themselves to their explanations

38 The S&A file 588-1910 relative to Mr. Sitarama Rao's prayer for an enhanced pension in connection with which this file has been called for is linked with this.

MA 50 7/9/1911 39 The Comptroller's letter dated 6th August 1910 contains a brief and clear account of the nature of the objections

Serial No.

odd - The major items of loss have been classified and shown in para 3 of the Comptroller's letter dated 6th August 1910 -

91 It is reported that in respect of materials of demolished houses, there has been a loss of nearly Rs 35,000 This is only an estimate - The compensation for a house is fixed on various considerations and it seems difficult to fix any percentage thereof as what should be realized by sale of materials - ~~[illegible]~~ From the little information gathered by the auditor, it is not possible to conclude that there has really been loss to the extent reported or to state to what extent there has been loss -

92 A sum of Rs 20,869 is shown as loss due to omissions in the Trust House list - It is not clear how this item can be treated as loss merely by reason of the ~~[illegible]~~ houses not being found entered in the list of Trust houses or payment for them

GPB—80,000—12-5-10

Serial No.

demolition not being found recorded. It is not suggested that payment has been made for houses which did not exist in fact and that the records connected with their acquisition are all fabricated. What could have been lost therefore is only the materials of these houses and the loss of materials is taken into account separately. Mr. Sebharam Rao says in para 8 of his explanation that "except in the case of 24 of these properties, which had been duly brought on the Trust Property Register, the remaining structures have all been actually demolished and the cleared sites utilised for ways forming new roads or widening the old ones or creating building sites". If necessary, the present Chairman may be requested to verify the correctness of this explanation by an actual inspection of the localities with reference to the old plans and records.

GPB—30,000—12-8-10

Serial No.

93 The next large item of loss specially referred to is of Rs 1133 due to excess payment for land - The auditor presumes this loss taking as correct the areas mentioned in the notifications published in the Gazette But as my Sitharama Rao explains these areas may not be correct and the areas for which payment has been made may be the correct areas of the properties - It would have been satisfactory if as suggested by the auditor in para 103 of his report a record had been made regarding the difference between the extent notified for acquisition and the extent actually acquired -

94 The fourth large item of loss referred to in the Comptroller's letter is of Rs 1014 due to overmeasurements in demolition - A detailed list thereof and an abstract showing the names of the subordinates responsible for this and the extent to which each is responsible are given in Appendix B - [illegible]

GPB—80,000—12-4-10

Serial No

Chairman has been requested this office letter dated 3rd Feb 1911 to recover the amounts from officials and to report what further notice should be taken of their conduct - The receipt of his report may be awaited -

95 Two other large items of loss ~~referred~~ brought to notice by the auditor in regard to acquisition (vide statement no 27) are of Rs 550 excess over 15% for compulsory acquisition and Rs 833 the total of which due by parties but not recovered and of which no account is kept ~~of the dues~~ (Vide paras 91 and 93 of the report). From what Mr. Sitharama Rao states in para 18 of his explanation, it appears that what is shown as excess over 15% is not what is paid on account of the compulsory nature of the acquisition and that the ~~ex~~ amount of compensation paid was fixed with regard to several considerations which had to be taken into account This is a matter to be judged by an examination of the records

GPB—50,000— 12-8-16

Serial No.

each case and it is not certain whether there has been any payment in excess of what the Regulation permits As regards the other item of Rs 633 the Chairman may be requested to take steps to recover the amounts due from the parties concerned -

96 In regard to works of construction for which Mr D'Cruz is responsible, a sum of Rs 3638 is reported by the auditor as having been lost to the Board by overpayments &c - After going through the explanation furnished by Mr D'Cruz, Mr Lakshimaraomba Rao is of opinion that Rs 2081 odd may be condoned and that the Executive Engineer has still to account for Rs 355 odd and the Chairman for Rs 997 odd - The former consists of two big items of Rs 232 odd and Rs 101 odd and several small items - The sum of Rs 232 odd is said to represent the value of 3719 feet of slabs used by shopkeepers (vide the last item of Statement I appended to the Executive-

GPB—60,000—12-5-10

Serial No.

Engineer's explanation). Further information may be called for as to the circumstances under which the shop-keepers were permitted to use the slabs - The sum of Rs 101 odd is ~~[illegible]~~ the value of bent tube syphons not accounted for - This is said to have been used in the City Improvements works - The explanation may perhaps be accepted. As regards Rs 10-12-0 (item no 34), the Chairman may be requested to obtain and submit the explanation of the Sub Divisional Officer - The other items for which the Executive Engineer is responsible ~~and~~ are small sums and are promised to be adjusted -

97 As regards the sum of Rs 997 odd for which it is said that the Chairman should account, the objections in respect of items 18, 32 and 35 may perhaps be waived The amounts shown in items 18 and 35 are said to have been spent for supplying water for constructing Jalagar houses and houses in the

Serial No.

Chenabally Extension - The ~~of~~ amount shown in item 32 is the cost of slabs used in the construction of Experimental houses in the Edga and Jalpura Extensions - It is believed that these houses have been sold - As regards the other items, the Chairman may be requested to report why the amounts should not be ordered to be recovered from those responsible therefor -

98 It is also reported by the auditor that the rates sanctioned or stipulated have been exceeded in certain cases without proper authority. It may be ordered that ~~pr~~ the sanction of the proper authorities should always be obtained ~~to~~ for exceeding the sanctioned or stipulated rates

99 In his letter dated 2nd August 1911, the Comptroller "specially brings to the notice of the Govt the desirability of expressly prohibiting the officers whose accounts are audited from making any remarks in or out the

GPB—30,000—18-11-10

Serial No.

cannot evidently be guarded with the care displayed ~~in~~ in taking care of the Treasury for instance, if ~~adopted~~ an elaborate system of watch Board, check & counter check had to be employed, the cost would perhaps have been very great ~~[illegible]~~ & might have come to more than the value of the materials guarded.

Mr S. Rao's explanation might be accepted as so far as he is personally concerned satisfactory, with the observation that the minor defects in re accounts, sale list &c ought ~~to have~~ not to have been allowed to exist, & that suitable simple checks ought to have been devised by the Officer responsible for the administration of the Trust Board.

(4) Trust Houses — Mr S Rao's explanation seems to be quite satisfactory — Though prima-facie the auditor would have been right in treating the materials of these houses as not accounted for, it seems to me that he went too far in putting down the whole amount of 20000 R odd as a loss.

The omission to show these houses,

GPB—20,000—12-8-10

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in the register of houses acquired by the Board with particulars of how they were finally disposed of – either by demolition, resale or otherwise – cannot be justified.

(iii) Certain minor items – items II III & IV in statement B prepared by the office.

– The responsibility in these cases cannot be thrown on the shoulders of the Chairman. Some of the minor officials apparently misappropriated the money. The non-levy of penal interest in some cases must be left to the discretion of the Chairman. The amounts should be recovered from the persons who have no receipts or from the subordinate officials who actually handled the money.

(iv) Item V (a) in statement B.

– Apparently a case of fraud by Krishna against the Sub Div. off.

Item V (b) – There is no doubt that in most cases of land acquisition the area notified at first is not accurate but only approximate.

Item V (c) – The accountant must be blamed for this.

Item V (d) – The auditor's interpretation of Section 23 of the L. A. Regn. does not [illegible]

GPB—S2.G9—1-8-10

Serial No.

be correct. Besides the market value of the land + 15% of it for compulsory acqn ~~the~~ ~~drainage~~ certain kinds of damage caused to the owner of the property have to be taken into consideration in assessing the amount of compensation.

Item V (e) – Leaving out small items of less than 10 Rs, the big sums of 349 Rs, 57½, 843 odd, 42, + 240 should be recovered from the parties concerned.

Item VI (a) – The amount must be recovered from the Subordinates concerned. Orders have issued ~~to~~ to this effect.

Re Mr D'Cruz' explanations.

(Vide statement put up by Office)

~~Item I. Should be recovered from the party~~

Most of the items in this list are of a minor character & in several the explanation furnished by Mr D'Cruz is satisfactory. In some cases the objections have to stand + recoveries effected. In some other cases ~~the~~ Mr D'Cruz throws the burden of explanation on the Chairman + in these cases the Chairman's office should be written to.

Serial No.

On the whole the audit report makes it apparent that more systematic organisation in regard to details is necessary in the T Board. It is not clear how far the defects brought to light have been rectified since the audit ~~Government~~ the account branch of the Chairman's Exchequer's office appears to require strengthening.

Please keep this until my return from Delhi

I have gone thro' the papers. The serious charges brought against Mr Sitaramiah have been satisfactorily explained. Much that appears to be of an objectionable nature has in the light of the lucid explanation now made been found to be based on a too

Serial No.

technical and unpractical view of the transactions of the Trust Board. Mr Sitaram Rao had to organize the Trust Board operations which were without a precedent or parallel in Mysore and if the system was not perfect he cannot be held to blame. On the other hand he worked the scheme to the best of his ability and no great abuses have been brought to light in an undertaking of this magnitude. It is a pity that the Auditor did not frame his report after giving Mr Sitaramrao an opportunity to explain the apparent objections. By this I do not mean to blame the Auditor who has done his work according to his lights. For the rest I agree with the Secretary.

Please put up a draft dealing with the whole question

KSM 31/1/12

Note—Contin sheet

Note: use this as draft

31/1/12

31/1/12 2.1.12.

Serial No.

107 Draft of an order is submitted in the above-proviso for Sitharama Rao's name is included subject to approval

108. The papers relative to the transactions for which certain officials of the Irrig. Board were held personally responsible have since been received from the Comptroller with his final remarks on the explanation submitted by them. To avoid delay in the disposal of this case they have been kept back in the Branch and will be submitted with this file after the issue of orders in this case.

Ohtt 50
7.2.1912

109 The ~~Sec~~ file 518-10 re the Sitharama Rao's pension is linked with this file

Ohtt 50 Secy) 13 2-12 [illegible]
7.2.12

110 File resubmitted with the draft order amplified as directed by the Secy.

Ohtt 50 Secy) 23 3 12 [illegible]
21 3 12 ~~Draft approved~~

Serial No.

111. File with draft is sub^d to 2nd C^r & Deum

28/3/12

28 3 12

112 Law the body of the order Mr. Sivaramakrishna is said to have been at fault. The conflict which the concluding portion of the order such portions and he reserved to be in consonance of the concluding portion

29/8/12

113 Subject to correction, may to submit that there is no such conflict. What is clear is the want of some organisation in regard to details of keeping ~~auditor~~ accounts &c.

Serial No.

I have however made some verbal changes, which are perhaps sufficient.

[illegible]

[illegible] 30/3/12

30 3 12

114 All right the opt may be added.

[illegible]

[illegible]/12

Recd 2/4 574 / 3 4 12

115 Decorum

[illegible] 2/4/12

2 4 12

116 This altogether a sorry piece of business — better cropped & forgotten than further discussed & relied upon — One thing is quite clear beyond doubt, and that is that Govt had a right to expect better method better record better accounts and better economy when they placed a DM officer of Mr Sitaramaiah's

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Serial No.

Stakes & Barrace in charge of the Irrigation Board work with all the equipment of a Divisional Unit in hierarchy of officials from Special Executive Engineer downwards. There has been good reason for disappointment - and it only remains for Govt to profit by the experience of the case ~~and~~ I would simply lodge the papers without further abs -

To Council
22 Sept 12

117
1 Circulated to Council
23/9/12

118
26/9/12

(Seen by the 1st Counsellor
30/9/12

(Commutal resolution)
To be filed
[illegible]

Note—Contin sheet

707 51

G. R. S. 12]

General and Revenue Secretariat

File No. 88 of 1910

Serial No

120 ... This was discussed at his Council meeting held on the 21st ult & it was decided that the Secretary should be asked as to further action was necessary in this matter

23
27/10/10

121 File

5/11/10

I have ascertained that the Tamil paper referred to in the Statesman Rajah's Provincial has ceased and it is the Tamil

Note—Contin. sheet.

[G R.S. 26]

File No 88-10

Serial No

Diary No of letter replied to 707

Proceedings of the Government of His Highness the Maharaja of Mysore.

GENERAL AND REVENUE SECRETARIAT
(Mc.)

Read—

Letter No. 510 dated the 7th August 1910 from the Comptroller to the Govt. of His Highness the Maharaja of Mysore, in reference to G. O. No. 24003-5 Misc 9-8-2 dated the 5th Sept. 1908, the report on the audit of the Mysore City Improvement Trust Board accounts from the commencement of operations in

over

Date of issue 19/12 Q. the 31-3.

Signed by

Q. - [illegible],

SUBJECT

GPR—10,000 19-4-10

January 1902 to the end of June 1908 together with the memorandum thereon by of the Asstt. Comptr. Mr. Lakshmiranganna Rao

2) Correspondence ending with letter no. 687/A.D.59 dated the 31st July 1911 from the same office

---

Order thereon

Govt. have had under consideration the question of having the accounts of the Mysore City Impt. Trust Board from the commencement of the Board's operations audited by an auditor familiar with the accounts and procedure, and the Board of Trustees having taken in with their views, the Comptroller, P.W. & Railway Branch was requested to depute a qualified auditor for the purpose. The Comptroller accordingly selected an accountant of the P.W. Branch, ~~from the Postal~~

and

M.C. 88-

G.R.S 27]

GENERAL AND REVENUE SECRETARIAT

(Continuation sheet draft form)

(3)

and his work was supervised by Mr. Lakshmanaswamy Rao, Assistant Comptroller.

2. The correspondence under abstract relates to the audit of the accounts up to end of the year 1907-1908, the results of which have been embodied in the Auditors Report. Besides several technical irregularities, the report shows it out that has both directly and otherwise the Board has suffered a loss aggregating Rs 64,066-2-11. The majority of loss are classified as follows:-

	Rs
(a) Loss on sales of materials (para 36 of the report)	35,000
(b) Due to omissions in the Trunk House Ledger (Para 39 of the report)	20,869-1-6
(c) Loss due to excess payments for lands (Para 88 of the report)	11 33-7-10

(d)

(d) Loss due to wrong measurements in demolition. (Para 113)	1044-0-10
(e) do. due to misappropriation, loss of materials etc in the Construction of sanitary works. (Para 122 of the report)	3636-0-6

2. Mr. Sitharama Rao who was the Chairman at the time has explained the fourth four items, and Mr. J.E. Aiyangar, the Board's Engr., the fifth item. The more important items reported by the auditor as loss to the Board are dealt with below:-

(i) <u>Sale of materials - Para 36 of the auditor's report:-</u>

The auditor estimates the loss under this head at Rs 35000 & arrives at this figure by assuming that a tenth of the Compensation paid on account of the houses demolished must have been realised by the sale of materials thereof.

(G R.S 27]

GENERAL AND REVENUE SECRETARIAT

(Continuation sheet draft form)

~~Must represent the approximate value of materials realisable from demolished houses~~. Mr. Sitharama Rao however explains that this proportion is arbitrary and is not based on any precedent or authority and mentions several circumstances which go to lower this proportion of perusal of the Auditor's report, the explanation furnished by Mr. Sitharama Rao and the further memorandum of the accounts officer in charge of the audit cases, the impression that ~~which~~ the main case of the audit dept. that there was loss to the Local board to the extent of Rs 35000 has broken down in the light of Mr. Sitharama Rao's explanation though there is still considera-

force in the operations of the account department that no proper accounts were kept of the materials and that the faulty system which prevailed left room for misappropriation. Taking all things together, there might have been some peculation on the part of contractors and subordinate officers, but the amount to such could not have been large ~~considerable~~ ~~much~~. Materials from demolished houses cannot evidently be guarded with great care, and if an elaborate system of watch and ward, check and counter-check had been employed the cost would perhaps have been very great and might have amounted to more than the value of the materials

G.P.B.—15,000—13-11 11

Ref 88-a

(7)

G.R.S 27]

GENERAL AND REVENUE SECRETARIAT

(Continuation sheet draft form)

materials granted. Mr. Sitaram Rao's explanation is accepted as satisfactory so far as he is personally concerned with the observation that the minor defects in the accounts, sale lists etc. matters ought not to have been allowed to exist and that suitable simple checks ought to have been devised by the officer responsible for the administration of the Trust Board.

(iii) Trust Houses – Para 39 of the report :– A sum of rupees 20,869-1-6 ~~has been~~ is put down as loss to the Board, ~~under the head~~ ~~by transfer from the account~~ ~~officer for the simple reason~~ that a proper register of houses acquired and demolished has not been maintained ~~in the office~~ and that many acquired houses of [illegible]

under this head in respect of houses said to have been acquired and demolished but the demolition of which has not been recorded in measurement books. It is reported

The Trust Board subordinates account for

has not been recorded in measurement books, ~~are stating~~ by stating that they ~~by the Trade Board Subordinates~~ ~~to~~ have been actually demolished and that measurements for demolition in these cases were either not recorded through oversight or recorded against wrong plans and door numbers. Mr Sitharama Rao ~~has explained~~ states that this is already included in the item of loss from sale of materials and ~~and costs~~ cannot be taken as a separate item of loss ~~unless it be in connection with the item of loss from sale of materials. This explanation ~~in that connection~~ has been accepted~~. Though prima facie the auditors would have been right in treating the materials of these houses as not actually

for

G.R.S 27]

GENERAL AND REVENUE SECRETARIAT

(Continuation sheet draft form)

far, Government considered that he went too far in pulling down the whole amount of Rs 20,000 and as a loss to the Board. The omission to show these houses in the register of houses acquired by the Board with particulars of how they were finally disposed of either by demolition, resale or otherwise cannot however be justified.

(iii) Items of loss referred to in paras 60 to 79 of the report.

There are certain minor items in which either the amounts received have not been credited or the rate of penal interest due for default in the repayment of the loans given by the Board has not been charged. In the former case the responsibility cannot be brought home on the

paid as compensation therefor

Charges

Chairman. Some of the minor officials apparently misappropriated the money. The amounts noted in the margin should be recovered from the parties if they have no receipts to show the payment thereof, or from the sub-ordinate officials who actually handled the money. The key of personal interest in ~~some cases~~ ~~must be left~~ must be as written ~~to the discretion of the Chairman and the non-recovery thereof from this source~~ ~~(Amounts due (Items))~~ cannot be considered as left to the Board.

Items	Amount
(1) Item reg^d to in paras 4 & 4 9 of the Auditor's Rep^t	3-8
(2) do para 50	38-12
(3) do paras 54 & 56	31-5

(iv) Payment of Compensation more than once ~~[illegible]~~ for one and the same property. Para 81 of the report:- The audit has disclosed a case in which compensation amounting to Rs 23/- was paid a second time in respect of one and the same property

GENERAL AND REVENUE SECRETARIAT

(Continuation sheet draft form)

property. This is apparently a case of fraud by Krishna Swami Iyer, the new Sub-Divisional Officer

(IV) Loss due to excess payments for lands – Paras 8 of the report – In these paragraphs the auditor refers to a series of cases in which the area – shown as actually acquired was in excess of the area notified for acquisition ~~in the notification~~ and ~~Gov.~~ draws the conclusion that the amount paid for the excess area is loss to the Board. ~~The reason for this conclusion is~~ adding he states that when the portion of a property forms any of the boundaries of that property as per notification ~~the assumption is~~ it is to be presumed that the full property is notified for acquisition and ~~that in such cases~~ the area notified

of the entire property and that in such cases no power exists for the acquisition of any area in excess of that notified. It must however be borne in mind that, ~~as the Commissioner has pointed out~~, the notification in the Gazette is not the conclusive record of the actual measurements of properties and that in ~~such cases of land acquisition~~ the area notified at first might be not accurate but only approximate. Payments having been made in each case on the awards made by the Chairman ~~exercising the functions of a Collector~~ under the Land Acqn Regn, the excess amounts referred to by the Auditor cannot be considered as lost to the Govt

(vi) Wrong Calculation - Para 89 of the Report.

Mr ~~[illegible]~~ 14-11-11

Contd

(5)

GRS 27]

GENERAL AND REVENUE SECRETARIAT

(Continuation sheet draft form.)

are several instances in which overpayments have occurred owing to wrong calculations having been framed, and the total amount of such overpayments comes to Rs 370-12-0. A copy of the auditor's statement no 10 furnishing details is forwarded to the Chairman for reference with the observation that his Accountant must be blamed for this irregularity

(vii) Items referred to in para 91 of the report. — These are cases where in the auditor's opinion, the Chairman exceeded the limit of 15 per cent on the market value of the property in awarding compensation for compulsory acquisition. The auditor's interpretation of section 23 of the Land Acquisition Regulation

is

is not correct. Besides the market value of the land and 15 per cent of it for compulsory acquisition, certain kinds of damage to the owners of the property have to be taken into consideration in assessing the amount of compensation.

(VIII) Items referred to in para 93 of the report :- There are no less than 20 cases in which the value of lands or houses sold to parties ~~[illegible]~~ was more than the amount of compensation due to them and yet no steps ~~have been~~ were taken to recover the excess amounts. Leaving out small items of Rs ten rupees, the marginally noted sums should be recovered from the parties concerned.

Block no	Khatchi Khata no	Plan no	Door no
6	86	85	1208
	134	175	-
9	86	-	1969
13	40	79	2148
	123	203	2342
81	425	127	-
	507	17	309

GPB—15,000—18-11-11

Ref 88-10

(15)

G R S 27]

GENERAL AND REVENUE SECRETARIAT

(Continuation sheet draft form.)

(IX) Overpayments in demolition. Para 113 of the report. - With regard to these and certain other items for which certain officials of the Irrig. Board are considered to be directly responsible, separate orders will issue ~~in due course~~.

(X) Overmeasurements, loss of materials etc in the construction of works. - The several items falling under this head have all been embodied in a statement (Appendix B) accompanying the auditor's report. Most of the items in this statement are of a minor character and in several the explanation furnished by Mr. D'Cruz is satisfactory. In the case of items nos: 1, 4, 12, 22, 23, 27, 31, 36, 38, 39, 45, 50 and 52 however, the Chairman should take steps to recover! . Among

Ag

to the best of his ability and so great abuses have been brought to light in an undertaking of this magnitude.

USH

Secy.

Nov 12

To

The Chairman, Improvement Trust. I.D.B. with Comptroller return with a minted copy of the auditor's report. Chief Engineer & Dr. D. Sitarama Rao for returning the documents received with his memo of explanation.

A synopsis of the Auditor's report on the audit of the Accounts of the Mysore City Improvement Trust Board from the commencement of their operations up to end of the year 1907-1908

Receipts.

Besides the State grant of Rs 15,81,000 the Board realized revenue from the following sources:—

I	Sale of materials	= 33888-2-4
II	do Trust houses	= 12482-15-4
III	do Land	= 103868-6-4
IV	do experimental houses	= 6111-4-2
V	do tools and plant	= 16-2-4
VI	Refund of loan	= 3521-3-9
VII	Rents from Trust houses	= 55-0-0
VIII	do Experimental houses	= 92-0-6
IX	Interest	= 317-9-5
X	Miscellaneous	= 259-0-8
	Total	Rs 1,60,611-14-6

2 I Sale of materials — The following are the defects in accounts about this item:—

(1) No accounts kept to indicate the

realizations under this head. (Para 18)

(b) Only source of information is sale bills, the entries in which are no more than the remittances made day by day of the sale proceeds. Hence information had to be gathered from diaries of officers, which in turn were by no means accurate. (Paras 19-21)

(c) Alterations of higher bids in sale lists (Paras 22-28) without attestations

(d) Challans written but no remittances made (Para 31)

(e) Recovery shown in Sale Register not carried to Cash-book (Paras 32-33)

(f) Discontinuance of the use of triplicate forms once introduced to gauge the quantity of materials obtained from demolished houses (Para 34)

(g) Issue of more than one receipt for a single recovery. (Para 44)

3. II Sale of Trust houses:-

(a) Houses stated to have been demolished though demolition has not been recorded in measurement books (Para 38)

(b)

(b) No register kept of houses required &c.

(c) Contractors have not yet claimed payment for demolition, which fact gives room for suspicion that there was leakage of old materials which it was the work of the contractors to cart to the depot (Para)

(d) Amount received not credited in the Cash book (Para-44)

4 III Sale of land :-

(a) Register of Trust properties incomplete (Para 46)

(b) Unauthorized grant of land free of cost. (Para 47)

(c) Chalan written, but no remittance made. (Para 48)

5 IV Sale of experimental houses :-

(a) Value of old slabs not charged for (P 53)

(b) Receipts issued, but amounts not remitted (Paras 54-56)

(c) Amount credited in excess of the recovery. (Para 55)

6 VI Refund of loan —

(a) Crediting interest towards loan (Para 59

(b)

(d) No interest charged on certain loans (Para 62)

(e) Reinstatement loans when amount recovered (Para 65)

7. VIII Funds from experimental houses —

Existing houses to displaced population free of rent.

8. IX Interest on loans

Panel interest not charged though required by the Rules. (Para 70)

Expenditure

[Vide Appendix B for serious irregularities and Appendix C for minor ones]

I Expenditure without or in excess of sanctioned estimates [Paras 76 & 77 & Statt. 8]

II A. Acquisition —

(a) Properties not provided for in Mpm have been acquired (Para 79)

(b) More mutchalikas than one for the same property have been paid by cheque on one and the same day. (Para 81)

(C) Extent of properties acquired is in many cases more than the area of the full properties notified (Para 82 & Statt 9)

(d) Boundaries not given in mutchalikas (P 83)

(e) Overpayments both in value as well as the margin of 15% awardable under the Land Acq. Regn (Paras 88-91 & 93)

(f) In cases where deductions have to be made for on account of the value of land or house given to the parties, no attempt made for the recovery of the difference (Paras 93, 95 & 96)

(G) Payments made both by the Trust Board

and the municipality for one and the same property, the mutchalika being defective. (Para 100)

(f) Details of certain property notified for requisition, have been used to describe another property not notified, and fragment made. (Para 99)

(g) Compensation paid in the shape of a good house without any account therefor. (Para 94)

(h) Declarations not prepared with due care, same property appearing more than once (Paras 102-103)

(i) Mutchalikas attested by other than real Mutchalikadars. (Para 104)

(j) Irregularity in the matter of the recovery of Municipal taxes notes on Mutchalikas by the Municipal Mutsaddies (Para 105)

(k) Remittances made through recovery is not traceable.

II B. Demolition —

(a) Cases of over measurements (Para 109)

(b) Cases of more than one measurement. (Para 110)

(c) Cases of overpayments not adjusted though observed (Para 116)

(d) Debris removed was less in quantity than that demolished; but payment was made calculated on the latter. (Para 117)

(e) Unnecessary payment made for carting materials to the depot (P 119)

(f) Non-recovery of value of materials from parties who were permitted to remove them - Para 118.

II C. Construction —

(a) Overpayments in the following ways -

(1) By wrong measurements - Para 123

(2) Payment to persons when not entitled - P. 124

(3) By not recovering the amount due. P 125

(4) Owing to errors in calculation - P 128

(5) Double payment for the same material - P 130.

(6) Rates including cost of materials include labour also. But labour has

has been paid separately - P. 132

(b) Loss on account of old pipes

7 not having been properly accounted for Para 126

" (c) Omission to

8 the value of old slabs used, and so loss to Board by not recovering the same from the purchasers of houses - (Para 134)

(d) Slabs removed from old drains have not been accounted for

(e) Excess payments over rates agreed to and Charges made against wrong estimates - (P 137 et seq)

(f) For the same kind of work, payments made by different units and at different rates

Ref 50
49(a

B - Acquisition

Statement showing in just a portion the federal irregularities which in the opinion of the Auditor led to ~~work~~ the Land Board the explanation of the officers concerned and the Comptroller's final remarks thereon.

50

14

Receipts —

I	Sale of materials:—				
(a)	Alteration of the body in the sale bill. (Para 25)	3	..		nil
(b)	Wrong entry. (P. 26A)	6	4		nil
(c)	Omission to credit in cash book (P. 31)	61	..		nil
(d)	Absence of any account. (Para 36)	35,000	..		(1) The auditor has arrived at this result upon incorrect and speculative hypotheses. For the purpose of calculating the amount realizable from demolished built materials, the auditor at least 10% of the compensation paid. This has no precedence nor authority. (2) Payment under compensation includes value of vacant ground, building etc. This which comes to Rs 2,86,422 should be

Nil

Nil

Nil

1) Materials are generally estimated at 20% of the gross compensation allowance at 10% for fittings cost demolition & on vacant land, the net percentage on value of materials comes to 20% approximately.

2) The basis of the auditors estimate is Rs 3,53,575 but that of other Sitharama Rao Rs 4,20,723/- Mus

deducted from the
sum of Rs 7,07,450 paid
under compensation
arrive at the actual fig
viz Rs 4,20,723 represent
the amount paid for ch
houses containing saleab
materials Calculated
this at ~~Rs~~ 10% the spe
from materials with th
Rs 42,072 & not Rs 70,71
~~[illegible]~~.
Deduct this, Rs 39,422
been realized, which
very fair.
(5) Out of 5321 properti
only 543 were pucca and
the amount realized
sale of materials ca
upto 17.2 per cent. Th
majority of the remain
houses were quite un
sanitary containing
hardly any good materi
Besides, deterioration

..., the auditor's
[illegible] is, if
anything, an error
in the case side
the loss according
to Sitharama
his own figures
would come to
Rs 50256/- and
of Rs 35,000 as
stated by the auditor
vide para 257
of Mr Lakshmi-
narasimha Rao'
[illegible] D, 15 7 94))
, The reasons
adduced no doubt
go to reduce the
realizable value
of materials, but
circumstances that
are, of reduction
can to be to a
certain extent
exaggerated. The

from sum, this and
such and other circumstances
will have to be taken in
account as affecting
such realizations
(4) The realizations
subsequent to June 19
from securities that
were in stock at the
end of 1907-1908 were
Rs 5534 & this amount
has been left out of
account in arriving
at Rs 33,888

Moving furniture may
bring out minor
, this connection, of
Absence of accounts
) non-preparation
bills for demolition
actually carried out
Absence of sale
orders
) Withholding:
withdrawal of real-
ations from sale
materials pending
ng time &
) Removal of
materials without
payment of value.
In the above 5 cases
irregularities have been
noticed in the
course of audit —
) Taking Rs 5534
/2 to inter-account
s Sitharamaraos
percentage of realis-
ations from materials
ness, e.g. 3 the amount
ount of Rs 5534 was

(iii) There was no chance
for clandestine removal
or misuse of the material
as the task-brothers here

alaje in 1908 ag
. fact of which
could must affec
in the the demoli
in that year
illing this, the
centage sinks
8·05. The fact
ney of finding
of whether the
realization so far
not is to take
ie amount of
nflexation and
emolition paid
Compare it with
the realization
le 1908-09 it was
1·5, while in 1908
ie realization was

the situation
'ad's inference
ll there was no
hance for increa

vieing with each other
detecting and exposing
the malpractices, if any
of their fellow workers
with the natural selfish
motive of getting the
delinquent cleared on
of their time. Besides
outside the ring, men
eager to get into the
depts. also kept a vigi
lant watch over the w
of the contractors that th
would obtain the off
by pseudonymous let
of any mischief

(6) Systematic accounts
were maintained for
materials, property
property, where it was
found necessary in
consideration of the
class of houses operated
upon -

materials is
not, not one
of accounts
authenticated,
upon the cir-
cumstance that
there was no fran-
chises Com-
munication
from Contractor
stating in material
areas. The cir-
cumstances go to
show that there
was ample scope
for Clandestine
removal of materials.
) The accountants
have business to
have kept
regular accounts
of materials received
in writing that
no accounts were
kept from the
beginning

II Branch Houses

ch1 Omission in the list (Para 39) | 20,869/16 This item forms part of the total Government of Rs. 202,150 & no separate explanation is called for the properties notes in

zinning. It is
therefore clear
to Dr Silkstone
impossible to
ascertain what
details were in
ck at the end of
07-1908 and what
he was subsequently
charged on the
ground to verify
statement. The
airman was
approached to send
an inspection the
records referred to
& no reply has
been received up
date.

No measurements
or demolition
were forthcoming
in the case of 4/12
aeroplanes, nor
were

the auditor's task is by
however been got with
with the result that 6
612 houses are made to
bring pressure on the Trust Bd.
Registers and the remu-
nic properties have been
actually demolished
the charges under which
for forming new road

III				
(b) Omission to credit on account of land (P. 49 & 50)	3	8	-	Nil
(c) do — (P. 50)	38	12	-	Nil
III Experimental houses — Omission to credit (Paras 54 & 56)	31	57		Nil
IV Loans :—				
(a) Penal interest not charged (P. 61)	135	-	-	Nil

no they found in
a South House bad
ch fragment has
been made for Mat
the shape of
reformation. Pay
ment made for
property which
neither demolish
nor in existence
certainly are
items of loss Sin
cerding to Mr
Atharamca Rao's
statement, ch to refe
Arch 419-242
38 houses as above

Interest not charged (PV2)	20	-	-	Nil
Receipts not credited (Annexure 65)	406	2	5	The Auditor expects Credit entries in the Cash book in respect of certain nominal items of receipt not actually tendered by the parties (vide paras 31, 60, 50 of the Auditor's report)

the Cash Inventory
for 31, 12, 50 &
of the Auditor's
note, challans on
receipts have been
issued and yet
money has not been
credited in the
cash book. The Auditor
noted arrears
as challans are
issued and vouchers
issued without re-
ceiving moneys.
once he has not
anticipated credits
which have yet
to be recovered so
noted by Mr
Ilavarasu Rao.

Expenditure

V	Acquisition – Compensation				
(a)	Second payment. (Para 81)	23	–	–	
(b)	Excess payment for lands (Para 88)	1133	7	10	Payments have been made in each case on awards made by the Chairman exercising the functions of the Comn. under the L.A. Act. Reg. The Notes in the Gazette have not concluded as to the actual measurement of properties acquired. The excess area is full an excess of the boundaries
(c)	Wrong Calculation (Para 89)	320	12	–	Nil
(d)	Excess over 15% for Compulsory acquisition (Para 90)	550	1	11	The auditor misrepresents the effect of the provision of Sec 23 (2) of the Land Acqn. Regn as if the allowance of the 15% on the market value of the property for the Compulsory nature of the

vide [illegible] 94
a Lakshmi -
[illegible] Pend
[illegible] 7 [illegible]
the Connection

Statt, No. C

a another estate
the valuation
properties must
have been made
for regulation
the due regard
all losses which
owners to take
to

				the acquisition debar all considerations mentioned in Clauses 2 to 4 of Sub-section 1 of Section 91 of the Act for the fragments made on the latter grounds and loss to the Board.
(e) Amounts due but not recovered and no account kept of the dues. (Para 93)	833	4	4	The Auditor puts this down as a loss as if Board has been wronged and the matter overlook
(f) Municipal taxes not recovered but remitted to Municipality (P. 105)	10	4	-	Nil
(g) Municipal taxes recovered and remitted to Municipality, but refund not claimed - (P 105)	29	6	-	Nil
II Demolition —				
(a) Over measurement (Para 113)	10 14	0	10	The explanation of

engineering and that
add to this more
than 15% on account of loss which
is already been
considered in fixing
the value, is evidently
an overpayment
and has not therefore
misrepresented the
merit of the Repor-

to the responsible has

Separate order

the mistake subordinate
that Rs 330-4-0 was
this lead was due to
measurements entered
against wrong numbers
with have to be accep
as the structure of the fo
further corresponding to
their correct numbers has
all been demolished an
not been separately
charged for. In the
absence of measurement
books and other connec
records not furnishe
to me by the Contractor
it is not possible for me
to further verify the
accuracy of the state
marks made by the Und
(vide para 10 of the Executive
Rao's memo).

been definitely
acted to the
concerned
re Reply of Mr.
Lakshmi Narasimha
's memo dt. 5.8.41
(Enclosure B) that
amounts should
recovered from
me, as they were
provided at public
exchequer to forward
the very losses.
The fact is
that when Mr.
Bhavanna Rao
applied for "Contra
"cash books, ledger
etc, Chalans and
conveyance bills"
who asked to
"certify the fact"
these documents
were lost and
no reply was received
from

others have
been issued for
recovering the
amounts from
the officials con-
cerned. (vide
Sl. 7 of the
file)

(b) Unnecessary payment for Carting Materials (P. 114)	58	11	Nil
(c) Unnecessary charge for demolition (P. 120)	75	1	Nil

being the
Editor's state-
ment, the Chairman was
requested to de-
liver which
a prepared pam-
phlet to divine
a presumably
it to the Secret-
aries for
publication and
leave the Chair-
man's office where
ies of divine
of the explan-
tions furnished
a depth, with the
re documents,
which certainly
we verified the
truth of the MS.

C. Construction

Statement showing the material irregularities in the Fort Ord Accounts that in the opinion of the Auditor led to bring the Board the explanation of his decision and the comptroller's final remarks thereon.

Inst 50.
20.8 9/11

1	Overpayment in the final bill of no. 1 Drainage Area Contractor (1237)	80	7	9	The amount may be recovered by the Chairman as an arrear of land revenue or otherwise under sect. 5 of the Myso City Municipal Regn.
2	Excess payment in the bill of Dyada in earth-cutting	7	4	8	Since adjusted
3	Cost upon flushing Syphons debited to Flushing Syphons	36	7	9	The necessary write-back of the amount has since been effected. The work in question was in the Divisional [illegible] so this item need not have been treated as [illegible] to Govt.

Objection stands

The value of materials obtained for specific works should in the first instance be debited to materials at site. And as they are used up the debit of value of the articles so used, transferred to the final sub-head concerned (vide Para 1027 of P.W.D. Code) in order

(1) to guard against the value of unused materials if any, being debited to the work, &

(2) to watch that unused materials are transferred to stock or other works for which they are required, before submitting the completion report. In the present case the value of the syphons was directly debited to the sub-head "Flushing syphons" thus

4	Underpayment in the bill of Messrs. Mellowey & Jackson		12	4	This will be adjusted
5	Excess payment in do	46	5	5	no excess payment at all.
6	value of old slabs unaccounted for	129	12	-	No loss whatever. The Auditor could have collected information contained in statement S (the quantities of slate unused & used) from the very measurement books and bills placed in his hands for audit. Allowance must then be made for wastage in breakages while now for other purposes.

obviating the possibility of check. Since the Ex Engr states that the siphons were brought on to stock, the explanation may be accepted.

Objection stands.

Std finish, a rate of 6 pies was agreed upon. The Ex Engr allowed 2 pies extra for enabling. No increase in any way the rate once agreed upon requires the sanction of the Board which is wanting in this case. (vide page 3 of Mr Lakshminarasimhachari's memo D. 127. 94) In the absence of proper accounts the Auditor was correct in showing the item as loss. Now that Mr Dey has furnished information in his statement marked S. If this information had been furnished before, the objection might have been withdrawn. The accuracy of his reply to the Auditor's in any is open to doubt.

7	Overpayment	-	6	-	This has been adjusted
8	Difference in the quantity of old slabs removed and hired.	575	1	-	Vide item no 6
9	Overpayment.	10	12	-	This has been adjusted
10	Excess payment	16	10	8	The auditor has noted only a provisional result of the audit of the bill. In this final bill an overpayment of Rs 16-10- has been ordered to be recovered; whereas Rs 62 become due to the contractor as a result of the audit of the bill.
12	Difference in the quantity of old slabs removed and hired.	372	5	-	The statements of the auditor made with reference to these items and item no 10 are inconsistent. The figure Rs 371-13-0 is exaggerated by Rs 4-3-12-0 as noted by the auditors.
13	Fine imposed on contractors was not deducted from the bill though there is no order remitting the fine.	10		-	Fine was imposed by the acting Executive Engr. his absence on leave

to

Adjusted Since

Adjusted since

It is not necessary that the auditors should set off underpayments against overpayments. The Contractor can sue and enforce underpayments. The auditor's business is, therefore, to be confined to seeing whether any excess payments have been made. There is no objection to the Ex. Engr. adjusting the overpayments from what is due to the Contractors.

It having been admitted by the Ex. Engineer that the removal of 200 C ft of slab was paid for in excess, the loss may be reduced in the case to Rs 328-1-0.

It is a fact that the records cancelling the 8 ft are wanting. The

bill was paid subsequently the work is certified to have been good by the Sub Div. Officer. The fine being imposed for bad work and subsequently as the work was certified to have been rectified, the Audit not to form an issue of loss. It is only a question of fact that the fine cancelled by the Ex. Eng was not specially noted on the bill - not the records are silent. but fine was cancelled.

14 Overpayment -

15 Quantity of round iron disallowed entered in bill and paid for without a corresponding entry in the measurement book

6 7 3

13 12 - The quantity was not disallowed but withheld pending inspection.

payment is an attempt to regularise an irregular payment by manufacturing records in support of such payment after the irregularity was noticed by the Auditor. So long as the remission of the fine was not authorised by express written orders issued prior to payment of the bill, the Auditor was perfectly justified in including the item as loss to the Board.

Force adjusted.

There may be no doubt that payment was withheld pending inspection, but there was no no written order to pay the item subsequently. It is not understood why the Sub. Div. Officer stated in the first measurement book that the reinforcement was in-filled in concrete and supported in the second measurement book that what

16	Overpayment.	6	5	–	This has been adjusted
17	Imprest item checks unaccounted for –	16	4	–	The material was in the Divisional office and the necessary write-back ought to have been effected to the Accounts Branch at the time. This has however been effected now. This is after all a question of procedure. This is to be replied in the Chairman's Office.
18	Items not properly debitable to Trust Bond have been so charged –	30		–	
19	Payment to a party when not entitled to any amount – the result being a double payment – (124)	124	7	2	This was in my absence on tour. Chairman's Office can better explain matter.
20	Overpayment	1	10	3	Adjusted
21	do	–	13	60	do
22	do	–	1	8	With the aspirants
23	do	2	8	–	do
24	Amount to be recovered from a party (125)	98	2	6	To be replied in the Chairman's Office

what the Ex. Engineer considered and paid for as extra reinforcement was also included in concrete walls.

Since adjusted.

It was wrong not to have debit the value of the unused iron chiefly to "materials at site". The Ex. Engr. did not turn at first where the materials were, and but for this audit, would not have known that such a thing had ever existed

No reply from the Chairman. The objection is correct.

The Chairman has not replied. Objection stands.

Since adjusted

do

Objection stands

do

No reply from Chairman
Objection stands.

25	Recovery of amount from Mrs C. S. Krishnaswamy Iyer	10	5 –	2 he replied in the Chairman's office –
26	Overpayment		10 9	This has been adjusted
27	[illegible]		8 4	One rupee has been adjusted. 0-8-4 remains to be adjusted
28	Work done to store water for building freehold. houses	80	14 –	This is to be replied in the Chairman's of
29	Omission to adjust certain amount of the final bill	28	11 4	The bill bears initials of the accou and cashier of the C main's office and a fo certificate of the land has been obtained on both. Steps may be taken in the Chair office to recover the a
30	Item once disallowed was subsequently paid	37	8 –	The item had disallowed pending investigation of its Subsequently payment was made in accordance with the order passed. A mention this item is a defe in audit.
31	Overpayment		6 4	This will be adj
32	Ridge tiles & slabs not charged in the houses in Jalapuri and Doga. (53 and 131 to 134)	158	6 3	The auditors has a Clearly proved ho

No reply from the Chairman; objection stands.

Since adjourned
do.

No reply from the Chairman. Objection stands

No reply from the Chairman. Objection stands

This idea had been expressly disallowed. It was subsequently laid without such express authority.

Objection stands
The Ex. Engineer's
final statement in

value of ridge tiles is included in the value of houses. In the explanation it was distinctly stated the rate of 6 pence was for fixing ridge tiles merely and the value ridge tiles is included the rate fixed for roofing slates, the reasonableness of seem that the value of all materials used on work as per final was debited to the w devolved upon the accountant working the Chairman's office before accepting a completion report explanation may be obtained.

33 Loss on account of fees not accounted for (Para 126 of the report)

276 -- In this paragraph about certain procedure followed in Chairman's office the Comptroller's Dt do not show that it is any pecuniary to Govt in this respect It is not therefore

in respect of ridge tiles are so contradictory that it is difficult to arrive at any conclusion. If the Board considers that the rate for roofing includes value of ridge tiles, Rs 31-2-0 may be waived. In any case the amount of Rs 127-4-3 relating to slabs much stand as a loss to the Board, whether the loss is due to neglect of the Accountant or the Chairman's office or that of anybody else. (see paras 3 & 4 of the Auditor's report).

This item is the value of 652 rft of 3" pipes removed and not accounted for. The Sub-Div Officer says that the pipes were all 2½" and not of 3" and that the pipes were all given by the Municipality and not purchased by the Board and no vouchers

		Clear why this has been assessed to the Board.
34 Value of 63 R ft of 1" pipe unaccounted for.	60	The Sub Divisional Officer's explanation is not received. The explanation offered the Comptroller's remarks are not fully entered in the Auditors statement. (App. B)
35 Supplying water to house builders &c in the Chatrabhati Extension.	35	This is to be settled by the Chairman Office.

obtained from the Municipality is forthcoming. The accounts show that the poles removed from Godholagari were of 3". The item has therefore been correctly treated as loss to the Board.

The Ex. Engineer's explanation to the Auditor's objection was "Possibly laid in Jalapur." The Sub-Divl. Officer has been asked to explain, as it is not possible at this distance of date to give an exact reason for the difference. The Comptroller's remarks run thus:— "The Ex. Engr's replies are ~~vague~~ not definite. The fact must be ascertained from the Sub Divisional Officer and reported." The Sub-Divisional Officer's explanation has not yet been received.

Not replied to by the Commission. Objects similar in nature show

	an item not properly debitable to Trust Funds.			Some little regard is paid to departmental regulations and the Trust Money was used for works not coming upon the scheme and used merely for private purposes!
36	Overpayment	1	2	This with the adjus
37	Value of 8 bent tube syphons not accounted for. (126)	101	10	It is not understood how this could be free to be an item of ... to the Board when articles in question were used on the Sunfish Works. If the ~~[illegible]~~ debit had made to the works subjects to allocation of charge to the fu

Vide remarks against item
No. 10. The fact which has
not been controverted is
that there is an excess pay-
ment for 6 cubic yds
This should be recovered
at the rate of 3 annas
per C yd.

Here there is the same
irregularity as was observed
in connection with item 13
& 17. Against 9 syphons
charged to the work only one
has been fixed and the price
of the same has been paid
for. The Ex: Engr says they
were used on improvement
work, and no record in
support of this were found
by B. It is therefore proved

38	Overpayment	8	5	–	works. The write-off escaped the notice of Accounts branch is a question of write back not of maker. Rs 6-15-7 has been adjusted – Rs 1-5-5 remains to be adjusted – do
39	Payment at an higher rate than has been agreed upon	1	10		
40	Overpayment	3	6	4	Adjusted
41	Value of pipes unaccounted for (129)	1000	–		The Comptroller's remarks about this were not communicated to him fully. The Divisional Officer explained that some of the pipes were used on work. It was then for the A to trace and find out where those pipes have been used. He did this through inspection of all connected records. Did he take pains to ascertain how

if the item was treated as a loss.

Supplies leading cable a sum of Rs 5-5-

do

do

This is the estimated value of the materials (9" Cement pipes) remained and not accounted for. In the absence of definite information from the Engr, it is not for the auditor to find out how the pipes were used. If the Ex. Engr had furnished the Auditor with the present statement T, the objection would have been withdrawn. The propriety of authorising issues without any

				many lifes are u[illegible] divisional slates an[illegible] what percentage shou[illegible] be allowed for break[illegible] The explanation offer[illegible] has not had any[illegible] consideration and [illegible] magnify the result [illegible] the audit an arbit[illegible] amount of Rs 1000 [illegible] been entered in th[illegible] statement in the [illegible] instance as a loss [illegible] statement T now [illegible] up furnishes infor[illegible] ation.
42	Excess payment	–	13	This is to be refle[illegible] in the Chairman's office.
43	Value of 4 zinc buckets and one a lantern not accounted for	9	9	The Comptroller's remarks in the stat[illegible] ment deal with [illegible] procedure and do [illegible] indicate that there [illegible] a loss to the Board [illegible] this item.

entry in Store Accounts is open to question and is obviously risky — It is now for Govt. to condone or not the deficiency of 21 per cent as due to reasonable breakage —

This however proves conclusively with what great regard the Board Officers treated the Departmental Rules and regulations

No reply from the Chairman Objection stands

The facts are that some articles of Tools and Plant are purchased and the Auditor finds them to be charged in bills as being to the Tools and Plant Registers and does not find the articles entered. The reply given is "the articles are used for the work & they became unfit for further

44	Value of 876 Rds of Covering slabs unaccounted for.	54	12		There is no basis for respect. We have given Deny's letter & explanation again item no 6.
45	Overpayment	2	1	8	This amount not traceable the district.

...e by wear and tear they were cheap stuff" If explanation like this is accepted the whole system of keeping stock account becomes superfluous so long as the Engineer failed to report that the articles became unserviceable and to obtain orders, the Auditors have strictly adhered to rules in showing the items as a loss

Vide remarks against items No 6.

From the final measurements recorded in the measurement book No 17, it is seen that 302.5 cft of Surkhi mortar concrete for bed of manholes had been thrown and paid for instead of only 3036.58 cft in overpayment of Rs 2-1-8 " this, made out for 8 42 8 at 0-4-0 the rate. The objection should

46	Items of Charge not authorised by documents	20	12	The articles are in Stores and the Comptroller remarks that they o be taken to Tools an Plant Account. This has not done. It is a gross of debts to proper be not "lost"
47	Value of Stores unaccounted for	20	14	Vide remarks abo though it was stated clearly in the explana that the store is in Cement testing room will be taken to ac the auditors has fo in finding this do as a loss.
48	Overpayments (128)	71	5	The explanation seems to have been di and put in the statem The amount is to ari at by wrong calcula by the auditors having underpayments in

therefore adhered —

The articles were not in the Tools & Plant Account when the audit was conducted. The Exe Engr should have stated the dates on which they were brought on the accounts & the name of the officer who actually counted the articles and certified to their existence.

Vide remarks above. The Auditor is cognisant of the existence or otherwise of an article only by means of entries in the Work Registers. To remove the Auditors objection, the Engr should have made separate entries in the Work Registers and placed them before the Auditor.

Vide remarks against Item No 10.

From an audit point of view, an Excess payment and an Excess payment can — not be two mistakes

49 Overpayments (130)	do	same bill through an by the Auditor in . liary has not bee set off against overpayment — The Contractors are no now working in A Brook Board. The ov payment will be adjusted against payment — The overpayme has been adjusted deduction in the Contractor's bill the fact reported to Comptroller. T would not have oc if this office had accountant at outset — Will be adjusted Adjusted This with the adjusted —
50	do	
51	do	
52	do	

~~The underpayment was~~
Condone the underpayment.

Since adjusted.

Objection to stand:
Since adjusted.
Objection to stand.